



Agenda Date: 6/12/2007
Agenda Placement: 6P

NAPA COUNTY BOARD OF SUPERVISORS Board Agenda Letter

TO: Board of Supervisors
FROM: Kim Henderson for Robert Peterson - Director
Public Works
REPORT BY: Nancy Oweong, Staff Services Analyst I , 253-4603
SUBJECT: Acceptance of a Grant from California Air Resource Board

RECOMMENDATION

Director of Public Works requests approval to sign and accept a grant in the amount of \$503,234 from the California Air Resource Board (ARB) for the purchase of low emission construction equipment.

EXECUTIVE SUMMARY

Twenty-five million dollars in grant funds has been made available on a statewide basis by the California Air Resources Board (ARB) to help public agencies replace or retrofit their in-use off-road diesel vehicles to reduce emissions. This funding assists public agencies to provide early emission reductions and modernize their fleets in advance of pending ARB off-road emission regulations. The County of Napa has been awarded a grant in the amount of \$503,234. There is a twenty-five percent local match requirement for vehicles being replaced. The County must accept the grant by June 30, 2007. The Director of Public Works is named as the party the ARB wishes to sign and accept the grant.

FISCAL IMPACT

Is there a Fiscal Impact?	Yes
Is it currently budgeted?	No
What is the revenue source?	The County has been awarded an ARB grant in the amount of \$503,234, of which \$365,885 will fund the purchase of three large pieces of equipment and \$137,349 will fund the retrofitting of this same equipment along with the retrofitting of six other in-use off-road diesel vehicles. Funding is provided on a reimbursement basis.

The total cost of the replacement equipment is \$487,849 with seventy-five

percent of that cost (\$365,885) reimbursed by the grant and the remaining twenty-five percent match (\$121,964) required from the County. Sufficient depreciation has already been collected for the replacement of the equipment to provide for this twenty-five percent match within Equipment Replacement Program Fund 4020.

The grant provides one hundred percent funding (\$137,349) for the retrofitting program in the Equipment Pool Fund 4010.

Is it Mandatory or Discretionary? Discretionary

Discretionary Justification: Acceptance of the grant will help fund the modernization of the County's fleet to comply with pending ARB regulations.

Is the general fund affected? No

Future fiscal impact: Upon acceptance of the grant, staff will return to the Board at budget hearings with a supplemental to amend the Fiscal Year 2007-08 Equipment Replacement Budget (4020) increasing appropriations by \$487,849 with offsetting revenues in the amount of \$365,885 from the California Air Resource Board (ARB) grant and \$121,964 from collected depreciation, and the establishment of three fixed assets.

In addition, the supplemental will amend the Fiscal Year 2007-08 Fleet Operating Budget (4010) increasing appropriations by \$137,349 with offsetting revenue from the ARB grant for the retrofitting program.

Consequences if not approved: Funds will not be available to replace or retrofit the County's fleet.

Additional Information: The grant program is a reimbursement program and the County will be reimbursed for the construction equipment after the equipment is purchased and received. There is sufficient funding within Fund 4020 to provide for this advance of funding with reimbursement to follow.

ENVIRONMENTAL IMPACT

ENVIRONMENTAL DETERMINATION: The proposed action is not a project as defined by 14 California Code of Regulations 15378 (State CEQA Guidelines) and therefore CEQA is not applicable.

BACKGROUND AND DISCUSSION

ARB is in the process of adopting regulations that will require any person, business, or government agency with diesel-fueled engines with a maximum power of 25 horsepower or greater to reduce emissions from their in-use off-road vehicles. The proposed regulation would give fleet owners the option to meet the requirements by retrofitting their vehicles with verified emission control devices, repower them with cleaner engines, or replace them with cleaner vehicles. Since Napa County is considered a small fleet the proposed implementation schedule would begin in 2015 with all vehicles required to be in compliance by the end of 2025.

The grant award of \$503,234 provides for the purchase of one John Deere Wheel Loader and two John Deere Excavators, the retrofitting of the same loader and excavators, and the retrofitting of six in-use off-road diesel vehicles. The replacement equipment are equipped with the Tier 3 emissions engine (highest vehicle emissions

standard presently produced), but are still required to be retrofitted by ARB to include a Particulate Matter (PM) Emissions Exhaust Device.

The total cost of the Loader and Excavators is \$487,849 with seventy-five percent of that cost (\$365,885) reimbursed by the grant and the remaining twenty-five percent match (\$121,964) required from the County. The grant provides one hundred percent funding (\$137,349) for the retrofitting of nine pieces of equipment with the PM Emissions Exhaust Device.

The timeline for completing the project is June 30, 2008, although ARB can grant extensions on a case-by-cases basis to June 30, 2009.

By accepting this grant the funds will be used to help defray the costs of replacing the County's 24 in-use off-road vehicles and the County can begin to reduce its emissions and start modernizing its fleet to achieve compliance in advance of the 2025 deadline.

SUPPORTING DOCUMENTS

None

CEO Recommendation: Approve

Reviewed By: Helene Franchi